

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6794

BILL NUMBER: HB 1278

NOTE PREPARED: Jan 4, 2011

BILL AMENDED:

SUBJECT: Grocery Allowance.

FIRST AUTHOR: Rep. Crawford

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that grocery assistance must be included in considering payments for residential care assistance.

Effective Date: July 1, 2011.

Explanation of State Expenditures: This bill will increase state expenditures to provide a monthly grocery allotment of \$200 to individuals who currently receive room and board assistance (RBA) through the Residential Care Assistance Program (RCAP).

The Family and Social Services Administration (FSSA) reports that as of December 2010, there were 866 individuals that received RBA benefits. FSSA reports a grocery allowance provided to individuals that receive RBA benefits would not be reimbursable under Medicaid and would increase state expenditures. The proposed \$200-a-month grocery allotment is expected to increase RBA expenditures by \$2,078,000.

Further, the bill requires the Division of Aging (DOA) to biannually utilize the Consumer Price Index for All Urban Consumers to adjust the monthly grocery allotment provided to RBA recipients. This provision may further impact expenditures for a grocery allotment provided to RBA recipients in future years, depending on the inflation rate reported by the United States Department of Labor.

Background Information: The current personal needs allowance for individuals that receive RCAP benefits is \$52 per month.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA.

Local Agencies Affected:

Information Sources: Susie Howard, FSSA.

Fiscal Analyst: Bill Brumbach, 232-9559